

April 29, 2005

Honorable James H. Welsh
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: **EMERGENCY APPLICATION**
Marg Howe Sand, Reservoir A
SOUTHWEST RIDGE FIELD
Lafayette and Vermilion Parishes, Louisiana

Dear Sir:

Application is hereby made on behalf of Greystone Operating, Inc., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Marg Howe Sand, Reservoir A, in the Southwest Ridge Field, Lafayette and Vermilion Parishes, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Marg Howe Sand, Reservoir A, in the Southwest Ridge Field, Lafayette and Vermilion Parishes, Louisiana.
2. To create a single drilling and production unit for this sand and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that any wells drilled outside of the Marg Howe Sand, Reservoir A, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The Marg Howe Sand, Reservoir A, in the Southwest Ridge Field, Lafayette and Vermilion Parishes, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 11,656' and 11,668' (electrical log measurements) in the Greystone Operating, Inc. (formerly Davis Petroleum Corporation) - Johnson No. 1 Well (SN 225582), located in Section 30, Township 10 South, Range 3 East, Lafayette and Vermilion Parishes, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for **POSTING** of the legal notice of the hearing and unit plat in a prominent place in the area of the Southwest Ridge Field, Lafayette and Vermilion Parishes, Louisiana, and will cause the legal notice of the hearing to be **PUBLISHED** in a newspaper of general circulation published in the vicinity of the Southwest Ridge Field, Lafayette and Vermilion Parishes, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the proposed unit can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337)233-9839.

The Commissioner of Conservation has waived the 20 days preapplication notice in connection with this application and a conference to discuss the proposed unit and the basis thereof is hereby scheduled for 10:30 A.M. on Thursday, May 12, 2005 at the Offices of Leon E. Comeaux & Associates, 305 LaRue France, Lafayette, Louisiana.

There is no requirement for persons receiving this notice to attend or be represented at this conference. This is merely an invitation to all known Interested Parties to attend the conference should they so desire.

There is attached hereto and made a part hereof a plat outlining the proposed unit. Pursuant to the Revised Rules of Procedure, a list of names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom this application is being sent is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure.

Finally, there is enclosed our check on behalf of the applicant, Greystone Operating, Inc. in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Bill McAlister

BM/cu

Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Rd.
Brandywine III, Ste. 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested
Owners and Represented Parties

